

FACILITIES MANAGEMENT SERVICES CONTRACT

THIS CONTRACT is between the **Office of the Indiana Attorney General** (hereinafter the "State") and **IKON Office Solutions, Inc.**, whose address is **7330 Woodland Drive, Indianapolis, IN 46278** (hereinafter "Contractor").

WITNESSETH

WHEREAS, the State desires to contract with a third party to provide on-premise facilities management services, including but not limited to, photocopying, fax transmission, litigation documentation preparation, and mail and local courier services, all as is more fully set forth on Exhibit A and in a modified and redacted copy of the response to the Request for Proposal attached hereto as Exhibit B1 (the "Modified Proposal"), incorporated herein (collectively, the "Services"); and

WHEREAS, the Contractor has the requisite expertise, experience, and know-how to provide the Services and has submitted the successful response to the State's Request For Proposals dated February 28, 2003.

NOW THEREFORE, in consideration of the mutual promises set forth below, the State and the Contractor agree as follows:

- 1. Duties of Contractor.** Contractor shall provide services listed on Exhibit B and the Modified Proposal, Exhibit B1 which are attached hereto.
- 2. Consideration.** The Contractor will be paid according to the pricing set forth on Exhibit A. The maximum remuneration under this Contract shall not exceed six hundred thirty thousand dollars (\$650,000)
- 3. Term.** The term of this Agreement will be from October 1, 2003 to September 30, 2006.
- 4. Access to Records.** The Contractor and its subcontractors, if any, shall maintain all books, documents, papers, accounting records, and other evidence pertaining to all costs incurred under this Contract. They shall make such materials available at their respective offices upon reasonable prior written notice and during normal business hours during this Contract term, and for three (3) years from the date of final payment under this Contract, for inspection by the State or by any other authorized representative of state government. Copies thereof shall be furnished at no cost to the State if requested.
- 5. Assignment.** The Contractor shall not assign or subcontract the whole or any part of this Contract without the State's prior written consent, which consent shall not be unreasonably withheld. The Contractor may assign its right to receive payments to such third parties as the Contractor may desire without the prior written consent of the State, provided that Contractor gives written notice (including evidence of such assignment) to the State thirty (30) days in advance of any payment so assigned. The assignment shall cover all unpaid amounts under this Contract and shall not be made to more than one party.
- 6. Audits.** Contractor acknowledges that it may be required to submit to an audit of funds paid through this Contract. Any such audit shall be conducted in accordance with IC 5-11-1, and audit guidelines specified by the State.
- 7. Authority to Bind Contractor.** Notwithstanding anything in this Contract to the contrary, the signatory for the Contractor represents that he/she has been duly authorized to execute contracts on behalf of the Contractor and has obtained all necessary or applicable approvals to make this Contract fully binding upon the Contractor when his/her signature is affixed, and this Contract is not subject to further acceptance by Contractor when accepted by the State of Indiana.

8. Changes in Work. In the event the State requires a major change in scope, the parties shall make any changes with a writing signed by both parties.

9. Compliance with Laws. The Contractor shall comply with all applicable federal, state and local laws, rules, regulations and ordinances, the provisions of which are incorporated by reference. The enactment or amendment of any applicable state or federal statute or the promulgation or regulations thereunder after execution of this Contract shall be reviewed by the State and the Contractor to determine whether the provisions of the Contract require formal modification.

10. Confidentiality of Data, Property Rights in Products, and Copyright Prohibition. The State shall be solely responsible for all claims, suits, demands, liability, causes of action, damages or costs for actual or alleged infringement of any intellectual property right, including but not limited to copyright, trademark, or right of publicity, arising from the copying of materials provided by the State hereunder. Notwithstanding any other provision of this Agreement, nothing in this Agreement shall be construed to give Contractor any control over decisions relating to choosing the content of information copied or otherwise handled hereunder. The State warrants and represents that it violates no intellectual property rights of third-parties by having Contractor perform Services under this Contract.

11. Confidentiality of State Information. Contractor recognizes that it must perform the Services in a manner that protects any confidential information of the State (such information hereafter referred to collectively as "State Confidential Information") that may be disclosed to Contractor hereunder from improper use or disclosure. Contractor agrees to treat State Confidential Information on a confidential basis. Contractor further agrees that it will not disclose any State Confidential Information without the State's prior written consent to any third party except to authorized representatives of the State or to employees or subcontractors of Contractor who have a need to access such State Confidential Information to perform the Services contemplated hereunder. State Confidential Information shall not include (i) information which at the time of disclosure is in the public domain, (ii) information which, after disclosure becomes part of the public domain by publication or otherwise through no fault of Contractor, or (iii) information which can be established to have been independently developed and so documented by Contractor or obtained by Contractor from any person not in breach of any confidential obligations to the State.

12. Conflict of Interest.

A. As used in this section:

"Immediate Family" means the spouse and unemancipated children of an individual.

"Interested Party" means:

1. The individual executing this Contract;
2. An individual who has an interest of three percent (3%) or more of Contractor, if Contractor is not an individual; or
3. Any member of the immediate family of an individual specified under

subdivision 1 or 2.

"Department" means the Indiana Department of Administration.

"Commission" means the State Ethics Commission.

B. The Department may cancel this Contract without recourse by Contractor if any interested party is an employee of the State of Indiana.

C. The Department will not exercise its right of cancellation under section B, above, if the Contractor gives the Department an opinion by the Commission indicating that the existence of this Contract and the employment by the State of Indiana of the interested party does not violate any statute or code relating to ethical conduct of state employees. The Department may take action, including cancellation of this Contract, consistent with an opinion of the Commission obtained under this section.

- D. Contractor has an affirmative obligation under this contract to disclose to the Department when an interested party is or becomes an employee of the State of Indiana. The obligation under this section extends only to those facts that Contractor knows or reasonably could know.

13. Continuity of Services.

- A. The Contractor recognizes that the Services to be performed under this Contract are vital to the State and must be continued without interruption and that, upon Contract expiration, a successor, either the State or another Contractor, may continue them. The Contractor agrees to:
1. work with the State to phase-out Contractor Services, and
 2. Exercise its commercially reasonable efforts and cooperation to effect an orderly and efficient transition to a successor.
- B. The Contractor shall, upon the State's written notice:
1. work with the State to phase-in, phase-out Services for up to sixty (60) days after this Contract expires, and
 2. Work in good faith a plan with a successor to determine the nature and extent of phase-in, phase out services required.
- The Contractor shall provide sufficient experienced personnel during the phase-in, phase-out period to ensure that the Services called for by this Contract are maintained in a good and workmanlike manner.
- C. The Contractor shall be allowed as many personnel as practicable to remain on the job to help the successor maintain the continuity and consistency of the Services required by this Contract.

The Contractor shall be reimbursed for all reasonable phase-in, phase-out costs (i.e. costs incurred within the agreed period after contract expiration that result from phase-in, phase-out operations).

14. Debarment and Suspension. Contractor certifies, by entering into this Contract, that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from entering into this Contract by any federal agency or by any department, agency or political subdivision of the State of Indiana. The term "principal" for purposes of this Contract means an officer, director, owner, partner, key employee, or other person with primary management or supervisory responsibilities, or a person who has a critical influence on or substantive control over the operations of Contractor.

15. Default by State. If the State, sixty (60) days after receipt of written notice, fails to correct or cure any breach of this Contract, then the Contractor may, in addition to any other remedies available at law, cancel and terminate this contract and collect all monies due up to and including the date of termination.

16. Disputes.

- A. Should any disputes arise with respect to this Contract, Contractor and the State agree to act immediately to resolve any such disputes. Time is of the essence in the resolution of disputes.
- B. The Contractor agrees that, the existence of a good faith dispute notwithstanding, it will continue without delay to carry out all its responsibilities under this Contract that are not affected by the dispute. If the State and Contractor cannot resolve a dispute within ten (10) working days following notification in writing by either party of the existence of a dispute, then the following procedure shall apply:

The State may withhold payments on items disputed in writing and in good faith pending resolution of the dispute and shall promptly pay upon resolution in Contractor's favor. The unintentional nonpayment by the State to Contractor of one or more invoices not in dispute in accordance with the terms of this Contract will not be cause for Contractor to terminate this contract, and the Contractor may bring suit to collect these amounts without following the disputes procedure contained herein.

17. Drug-Free Workplace. The Contractor hereby covenants and agrees to make a good faith effort to provide and maintain a drug-free workplace. Contractor will give written notice to the State within ten (10) days after receiving actual notice that the Contractor or an employee of the Contractor has been convicted of a criminal drug violation occurring in Contractor's workplace. False certification or violation of the certification may result in sanctions including, but not limited to, suspension of contract payments, termination of this Contract and/or debarment of contracting opportunities with the State of Indiana for up to three (3) years.

In addition to the provisions of the above paragraphs, if the total contract amount set forth in this Contract is in excess of \$25,000.00, Contractor hereby further agrees that this Contract is expressly subject to the terms, conditions, and representations of the following certification:

This certification is required by Executive Order No. 90-5, April 12, 1990, issued by the Governor of Indiana. Pursuant to its delegated authority, the Indiana Department of Administration is requiring the inclusion of this certification in all contracts and grants from the State of Indiana in excess of \$25,000.00. No award of a contract shall be made, and no contract, purchase order or agreement, the total amount of which exceeds \$25,000.00, shall be valid, unless and until this certification has been fully executed by Contractor and made a part of the contract or agreement as part of the contract documents.

The Contractor certifies and agrees that it will use its reasonable efforts to provide a drug-free workplace with respect to its employees by:

- A. Publishing and providing to all of its employees a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited in the Contractor's workplace and specifying the actions that will be taken against employees for violations of such prohibition;
- B. Establishing a drug-free awareness program to inform it's employees of (1) the dangers of drug abuse in the workplace; (2) Contractor's policy of maintaining a drug-free workplace; (3) any available drug consulting, rehabilitation, and employee assistance programs; and (4) the penalties that may be imposed upon an employee for drug abuse violations occurring in the workplace;
- C. Notifying all employees in the statement required by subparagraph (A) above that as a condition of continued employment, the employee will (1) abide by the terms of the statement; and (2) notify the Contractor of any criminal drug statute conviction for a violation occurring in the workplace no later than five (5) days after such conviction;
- D. Notifying in writing the State within ten (10) days after receiving notice from an employee under subdivision (C)(2) above, or otherwise receiving actual notice of such conviction.
- E. Within thirty (30) days after receiving notice under subdivision (C)(2) above of a conviction, imposing the following sanctions or remedial measures on any employee who is convicted of drug abuse violations occurring in the workplace: (1) taking appropriate personnel action against the employee, up to and including termination; or (2) requiring such employee to satisfactorily participate in a drug abuse assistance or rehabilitation program approved for such purposes by a federal, state or local health, law enforcement, or other appropriate agency; and
- F. Making a good faith effort to maintain a drug-free workplace through the implementation of subparagraphs (A) through (E) above.

18. Employment Option. If the State determines that it would be in the State's best interest to hire an employee of the Contractor, the Contractor will release selected employee from any non-compete contracts that may be in effect. This release will be at no cost to the State or the employee.

19. Force Majeure. In the event that either party is unable to perform any of its obligations under this Contract or to enjoy any of its benefits because of natural disaster or decrees of governmental bodies not the fault of the affected party (hereinafter referred to as a "Force Majeure Event"), the party who has been so affected shall immediately give notice to the other party and shall do everything possible to resume performance. Upon receipt of such notice, all obligations under this Contract shall be immediately suspended. If the period of nonperformance exceeds thirty (30) days from the receipt of notice of the Force Majeure Event, the party whose ability to perform has not been so affected may, by giving written notice, terminate this contract.

20. Funding Cancellation. When the director of the State Budget Agency makes a written determination that funds are not appropriated or otherwise available to support continuation of performance of this Contract, this Contract shall be canceled. A determination by the Budget Director that funds are not appropriated or otherwise available to support continuation of performance shall be final and conclusive.

21. Governing Laws. This Contract shall be construed in accordance with and governed by the laws of the State of Indiana and suit, if any, must be brought in the State of Indiana.

22. Indemnification. Contractor agrees to indemnify, defend, and hold harmless the State of Indiana and its agents, officials, and employees from all claims and suits including court costs, attorney's fees, and other expenses caused by any act or omission of the Contractor and/or its subcontractors, if any. The State shall not provide such indemnification to Contractor.

23. Independent Contractor. Both parties hereto, in the performance of this Contract, shall act in an individual capacity and not as agents, employees, partners, joint ventures or associates of one another. The employees or agents of one party shall not be deemed or construed to be the employees or agents of the other party for any purposes whatsoever. Neither party will assume liability for any injury (including death) to any persons, or damage to any property arising out of the acts or omissions of the agents, employees or subcontractors of the other party.

The Contractor shall be responsible for providing all necessary unemployment and worker's compensation insurance for Contractor's employees.

24. Licensing Standards. The parties agree that Contractor and its employees will comply with all applicable licensing standards, certification standards, accrediting standards and any other laws, rules or regulations governing Services to be provided by the Contractor pursuant to this Contract. The State shall not be required to reimburse Contractor for any s performed when Contractor or its employees are not in compliance with such applicable standards, laws, or regulations. If licensure, certification or accreditation expires or is revoked, Contractor shall notify State immediately and the State, at its option, may immediately terminate the contract.

25. Nondiscrimination. Pursuant to IC 22-9-1-10 and the Civil Rights Act of 1964, Contractor shall not discriminate against any employee or applicant for employment in the performance of this contract. The Contractor shall not discriminate with respect to the hire, tenure, terms, conditions or privileges of employment or any matter directly or indirectly related to employment, because of race, color, religion, sex, disability, national origin or ancestry. Breach of this covenant may be regarded as a material breach of Contract. The Contractor's execution of this Contract also signifies compliance with applicable federal laws, regulations, and executive orders prohibiting discrimination in the provision of s based on race, color, national origin, age, sex, disability or status as a veteran.

26. Notice to Parties. Whenever any notice, statement or other communication is required under this Contract, it shall be sent to the following addresses, unless otherwise specifically advised.

A. Notice to the State shall be sent to:

Office of the Attorney General
Attn: Tony Rogers
302 W. Washington Street
IGCS, 5th Floor
Indianapolis, IN 46204

B. Notice to the Contractor shall be sent to:

IKON Office Solutions, Inc.
Attn: Chris Johnson
7330 Woodland Drive
Indianapolis, IN 46278

Copy to: IKON Office Solutions, Inc.
Law Department
70 Valley Stream Parkway
Malvern, PA 19355

27. Order of Precedence. Any inconsistency in this Contract shall be resolved by giving precedence in the following order: (1) This Professional Services Contract; (2) Exhibit B; (3) Modified Proposal, incorporated herein by reference.

28. Ownership of Documents & Materials. All documents, records, programs, data, film, tape, articles, memos, and other materials not developed or licensed by the Contractor prior to execution of this Contract, but specifically developed under this Contract shall be considered "work for hire" and the Contractor transfers any ownership claim to the State of Indiana and all such matters will be the property of the State of Indiana. Use of these materials, other than related to contract performance by the Contractor, without the prior written consent of the State, is prohibited. During the performance of this Contract, the Contractor shall be responsible for any loss of or damage to these materials developed for or supplied by the State and used to develop or assist in the Services provided herein while the materials are in the possession of the Contractor. Any loss or damage thereto shall be restored at the Contractor's expense. Full, immediate, and unrestricted access to the work product of the Contractor during the term of this Contract shall be available to the State.

29. Payments. All payment obligations shall be made in arrears in accordance with Indiana law and state fiscal policies and procedures.

30. Penalties/Interest/Attorney's Fees. The State will in good faith perform its required obligations hereunder and does not agree to pay any penalties, liquidated damages, interest, or attorney's fees, except as required by Indiana law, in part, IC 5-17-5, IC 34-54-8, and IC 34-13-1.

Notwithstanding the provisions contained in IC 5-17-5, the Parties stipulate and agree that any liability resulting from the State of Indiana's failure to make prompt payment shall be based solely on the amount of funding originating from the State of Indiana and shall not be based on funding from federal or other sources.

31. Progress Reports. [omitted intentionally].

32. Renewal Option. This Contract may be renewed under the same terms and conditions subject to the approval of the Commissioner of the Department of Administration and the State Budget Director in compliance with IC 5-22-17-4. The term of the renewed contract may not be longer than the original contract. Exercise of this option is at the sole discretion of the State and is subject to agreement or acceptance by the Contractor.

33. Severability. The invalidity of any section, subsection, clause or provision of this Contract shall not affect the validity of the remaining sections, subsections, clauses or provisions of this Contract.

34. Substantial Performance. This Contract shall be deemed to be substantially performed only when fully performed according to its terms and conditions and any modification thereof.

35. Successors and Assignees. The Contractor binds its successors, executors, administrators, and assignees to all covenants of this Contract. Except as above set forth, the Contractor shall not assign, sublet or transfer interest in this Contract without the prior written consent of the State of Indiana, which consent shall not be unreasonably withheld.

36. Taxes. The State of Indiana is exempt from state, federal and local taxes. The State will not be responsible for any taxes levied on the Contractor as a result of this Contract.

37. Termination for Convenience. This Contract may be terminated, in whole or in part, by the State whenever, for any reason, the State determines that such termination is in the best interest of the State. Termination of Services shall be effected by delivery to the Contractor of a Termination Notice at least thirty (30) days prior to the termination effective date, specifying the extent to which performance of Services under such termination becomes effective. The Contractor shall be compensated for Services properly rendered prior to the effective date of termination. The State will not be liable for Services performed after effective date of termination. The Contractor shall be compensated for Services herein provided but in no case shall total payment made to the Contractor exceed the original contract price or shall any price increase be allowed on individual line items if canceled only in part prior to the original termination date.

38. Termination for Default.

A. With the provision of thirty (30) days notice to the Contractor, the State may terminate this Contract in whole or in part, if the Contractor fails to:

1. Correct or cure any breach of this Contract;
2. Deliver the supplies or perform the s within the time specified in this Contract or any extension;
3. Make progress so as to endanger performance of this Contract; or
4. Perform any of the other provisions of this contract.

B. If the State terminates this Contract in whole or in part, it may acquire, under the terms and in the manner the State considers appropriate, supplies or similar to those terminated, and the Contractor will be liable to the State for any excess costs for those supplies or services. However, the Contractor shall continue work not terminated.

C. The State shall pay the contract price for completed supplies delivered and Services accepted. The Contractor and the State shall agree on the amount of payment for manufacturing materials delivered and accepted and for the protection and preservation of the property. Failure to agree will be a dispute under the Disputes clause. .

D. The rights and remedies of the State in this clause are in addition to any other rights and remedies provided by law or equity under this contract.

39. Registration with the Secretary of State of Indiana. The Contractor certifies that if it is a non-domestic entity, it is registered with the Indiana Secretary of State to do business in the State of Indiana.

40. Waiver of Rights. No right conferred on either party under this Contract shall be deemed waived and no breach of this contract excused, unless such waiver or excuse is in writing and signed by the party claimed to have waived such right.

41. Work Standards. The Contractor shall execute its responsibilities by following and applying at all times in a good and workmanlike manner. Contractor will provide the personnel as listed in Exhibit A ("Personnel") to perform the Services and to perform the Services. Personnel shall at all times be the employees of Contractor, and Contractor shall be solely responsible for the supervision, daily direction and control of such Personnel. Contractor shall have the right to remove, reassign, or take any other employment-related action with respect to any of its Personnel furnished pursuant to this Contract. In the event of such removal or reassignment, Contractor will furnish a replacement. Contractor reserves the right to hire temporary employees or subcontractors, if the circumstances require, in order to perform the Services or to accommodate special requests from the State. The parties do not hereby intend to enter into a partnership or joint venture, to become agents of one another or to have their respective personnel become agents of the other, and the relationship between Contractor and the State shall at all times be that of independent contractors.

Should the State determine that any Personnel are not performing in accordance with the requirements of this Contract, The State shall provide Contractor with written notice of such failure. Within five (5) business days of Contractor's receipt of such notice, and in accordance with Contractor policy and procedure, Contractor shall remedy the deficiency with the Personnel in question or remove such Personnel and provide a replacement. Notwithstanding, if State believes that an action of Personnel warrants immediate action by Contractor, State shall contact Contractor and provide Contractor in writing with the reason for requesting such immediate action, and Contractor shall remove such Personnel from the State's premises as soon as possible. State may not request that Contractor remove Personnel because of race, religion, gender, age, disability, or any other legally-prohibited basis under federal, state or local law.

42. Space, Utilities and Office Supplies. The State will provide adequate space for operation of the mail room and copy center and Services and will provide for the preparation of the designated space in its facility for the Services, including any electrical work required for installation or operation of all equipment required under this Contract. The State will provide adequate electrical service, telephone service, custodial service, air ventilation, heating and cooling systems for the Services area and any Contractor and/or State Equipment (required for the performance of the Services as defined in Exhibit A) and will provide the access needed for equipment maintenance, repair, installation and removal. To perform the Services, the State shall provide (i) the office supplies (such as paper clips, staples, staplers, tape, etc.); and (ii) the office equipment (such as desks, shelves, telephones, file cabinets, table and chairs) that the State and Contractor mutually agree is necessary. The State will maintain the designated space for the Service area free from any unsafe conditions and will make available to Contractor personnel and subcontractors any safety equipment or materials provided by the State to State's own employees and subcontractors. Contractor agrees to cause its employees while they are present in the Service areas to comply with the State's reasonable security procedures that have been communicated to Contractor in writing. The State shall provide adequate security for equipment, supplies, and other items of value utilized by Contractor in the performance of the Services. The State shall bear all losses resulting from the theft or loss of such equipment, supplies and/or items of value, except those negligently or willfully caused by Contractor or Contractor's employees. Contractor's inability to fulfill its obligations under this Agreement because of any failure of the State to meet its obligations under this Section shall not constitute a breach of this Contract or other default by Contractor.

43. Limitations. EXCEPT AS OTHERWISE EXPRESSLY SET FORTH HEREIN, CONTRACTOR MAKES NO WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, WITH RESPECT TO ANY SERVICES, EQUIPMENT OR GOODS PROVIDED UNDER THIS AGREEMENT, INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

44. IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER PARTY FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE OR INDIRECT DAMAGES, EVEN IF SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

45. EQUIPMENT. Equipment listed on Exhibit C is required in order that Contractor may perform the Services. The State agrees that title to any equipment provided by Contractor in order to perform the Services shall

remain with Contractor. The State has no right, title or interest in the equipment and shall not cause any lien to be placed on the equipment. Upon the expiration or termination of this Contract, the State shall allow Contractor to remove all equipment and any remaining supplies, products or materials.

Non-Collusion and Acceptance

The undersigned attests, subject to the penalties for perjury, that he/she is the duly authorized representative, agent, member, or officer of the Contractor, that he/she has not, nor has any other member, employee, representative, agent or officer of the Contractor, directly or indirectly, to the best of his/her knowledge, entered into or offered to enter into any combination, collusion or agreement to receive or pay, and that he/she has not received or paid, any sum of money or other consideration for the execution of this Contract other than that which appears upon the face of this Contract.

The Remainder of this page is left blank intentionally.

IN WITNESS WHEREOF, Contractor and the State of Indiana have, through duly authorized representatives, entered into this Contract. The parties having read and understand the foregoing terms of the contract do by their respective signatures dated below hereby agree to the terms thereof.

IKON Office Solutions, Inc.

By: Craig C. Fouts II
Printed Name: Craig C. Fouts II
Title: Vice President and General Manager
Indiana Marketplace
Date: 9-22-03

Approved by:
DEPARTMENT OF ADMINISTRATION

By: [Signature] (for)
[Signature] Commissioner
Date: 10-20-03

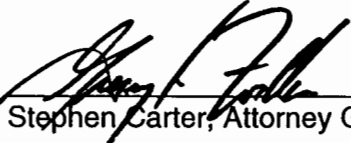
The Office of the Indiana Attorney General

By: Larry Hopkins
Printed Name: Larry Hopkins
Title: C.E.O
Date: 9-23-03

Approved by:
STATE BUDGET AGENCY

By: Marilyn F. Schultz (for)
Marilyn F. Schultz, Director
Date: 10-8-03

Approved as to form and legality:
OFFICE OF ATTORNEY GENERAL

 (for)
Stephen Carter, Attorney General
Date: 10.10.03

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**EXHIBIT A,
FACILITIES MANAGEMENT PROGRAM PRICING SUMMARY**

SUMMARY OF MONTHLY MINIMUM FEES

IKON will provide you with the Services and the equipment specified in Exhibit B and C for the following Monthly Minimum Fees:

Monthly Minimum Fee - Service	\$19,743
Monthly Minimum Fee - Equipment	\$4,004

BLACK AND WHITE IMAGES

- 1) As part of the Monthly Minimum Fees listed above, Contractor will provide you with black and white copy services for up to 260,000 images per month ("Base Black and White Images"). You will be charged \$.014 per black and white image for all images over the number of Base Black and White Images indicated above. For months when impression totals are under 260,000 per month, Contractor will credit the State at the rate of .014 per impression.

EXHIBIT B
MASTER SERVICE AGREEMENT
DESCRIPTION OF SERVICES AND PERSONNEL

IKON will provide the following Services to the State:

- ☒ Black and White Copy Services
- ☒ Mail Services
- ☒ Courier Services
- ☒ Facsimile Services
- ☒ Equipment Fleet Management Services

Offsite Services

- ☒ Color Copy Services
- ☒ Oversize Copy Services
- ☒ Imaging Services

All other Services shall be agreed upon from time-to-time by Customer and IKON.

STATE NATIONALLY RECOGNIZED HOLIDAYS: New Year's Day; Martin Luther King Jr. Day, Good Friday, Primary Election Day, Memorial Day; 4th of July; Labor Day; Columbus Day, Election Day, Veterans Day, Thanksgiving; Lincoln's Birthday, Christmas Day and Washington's Birthday..

PERSONNEL

IKON will provide the Personnel listed below:

- (1) SITE MANAGER
- (1) KEY OPERATOR
- (1) MESSENGER
- (1) MAIL CLERK

Modified Proposal

Prepared for:
Indiana Attorney General



for
***Facilities Management Services
"Building on a Partnership"***

In Care of:
Attorney General Evaluation Team

Prepared by:
Chris Johnson
IKON Office Solutions
Government Accounts Manager



The Way Business
Gets Communicated™

March 31, 2003

IKON's Approach to Successfully Managing the Attorney General's Facilities Management Site

- Production Tracking Logs
- Monthly Account Reviews – Operations Review / Compliance with Operational Performance Standards.
- Quarterly Account Reviews – Focus on Document Management Strategy / New Technologies.
- Quarterly Site Audits – Compliance with IKON Operational Excellence Best Practices.
- Semi-Annual Key Contact Survey – Report Card requesting service rating from Attorney General key contact.
- Semi-Annual End – User Satisfaction Survey – Survey of end users to determine satisfaction levels with provided services.

IKON Strategy for Staffing

Listed below are some key elements of successful IKON staffing procedures.

- All team members are cross trained on all services provided.
- All IKON back-up personnel is fully trained on the operational duties specific to the Attorney General.
- Ongoing Performance Monitoring to ensure quality control standards.
- Background Checks performed on IKON employees
- Confidentiality Agreements signed by IKON employees

IKON Strategy for Mail and Messenger Services

IKON accepts the Attorney General's Mail and Messenger Service requirements outlined on pages 7, 8, and 9 of the Request for Proposal.

IKON will utilize on-site Mail Clerk to manage all Attorney General mail requirements. An on-site Messenger, will oversee all Attorney General messenger requirements.

Equipment Recommendations

IKON Services Center

IKON Recommendation

- (2) Canon iR8500 – 85 pages per minute
100 sheet stapling, on-line three hole punching, tab copying, and (1) network printing
- (1) Canon iR3300 – 33 pages per minute
Stapling, faxing capabilities, and network printing
- (1) Canon Fax 710 High Speed Laser Facsimile

Convenience Equipment

IKON Recommendation For:

Consumer Protection Division
Tort / Appeals
Government Litigation
Collections Litigation

- (4) Canon iR5000 Console Machines – 50 pages per minute
50 sheet stapling, 5 paper sources, 4100 sheets of paper on-line.

IKON Recommendation For:

Law Library
Administration
Executive Office (State House)
Medicaid Fraud

- (4) Canon iR3300 – 33 pages per minute
30 sheet stapling, 5 paper sources, 2000 sheets of paper on-line. One network printing and fax option for Executive Office.
- (1) Canon Fax 2060 for Executive Office



As a general statement, a reduction in speed and / or capability will reduce equipment cost. Conversely, an increase in speed and capability will increase equipment cost.

IKON Strategy for Scanning Services

IKON accepts the Attorney General's Scanning Service requirements outlined on pages 9 and 10 of the Request for Proposal.

IKON is currently utilizing IKON Legal Document Services (LDS) for all Attorney General scanning requirements. The services are being managed by IKON's Site Manager, in coordination with a LDS representative. Listed below is a simplified overview of the current process being used for a scanning requirement.

- IKON is notified of request
- IKON engages a LDS representative
- Documents are picked-up on-site
- Originals and CD Rom's are delivered to IKON Service Center.

This current procedure has been effective. There is a brief narrative highlighting the benefits of LDS on the following page.

IKON Strategy for Special Projects

IKON accepts the Attorney General's Special Projects requirements outlined on pages 6 and 7 of the Request for Proposal.

Unlike many other providers of Facilities Management Services, IKON will manage Attorney General special project requests with minimal use of third party vendors. The benefits are quicker turnaround times, no exposure to incremental pricing mark-ups, and better quality control. In summary, IKON is a one stop provider. Both IKON Legal Document Services and IKON Business Document Services are local, Indianapolis based organizations that afford us this advantage. Below is a brief description of each organization.

IKON Legal Document Services

IKON Legal Document Services (LDS) is the largest company of its kind. LDS has over 120 facilities, with offices in every major metropolitan area. LDS offers unsurpassed expertise in legal document productions gained through 14 years of industry specific experience. Keith Jones is the single, local point of contact for all Attorney General special project requirements .

LDS Local Services

- Operates twenty-four hours a day, seven days a week.
- Offers free pick-up and delivery for all work.
- No charge for overnight or rush jobs.
- Provides in-house imaging services.

IKON Business Document Services

IKON Business Document Services (BDS) is a proven, local overflow facility for Attorney General's special projects. This facility is dedicated to serving our Facility Management contracts in central Indiana with overflow, emergency, and special coping/printing projects.

BDS Local Services

- A primary function of overflow support for Attorney General special projects.
- Eliminates potential problems associated with dealing with third party vendors.
- Capability to handle virtually all volume peaks and emergency requests
- Coordination with the Attorney General to offer 100% deadline compliance

IKON Pricing

36 Month Agreement Management Fee

IKON's pricing strategy for the Attorney General strives for simplicity. It is standard practice for IKON's management fee to be inclusive of all services provided.

The following services are included:

- (4) On-Site Employees Dedicated to Serving the Attorney General
- 225,000 Monthly Impressions
- 225,000 Sheets of white, 20 lb. Bond paper
- All service and supplies for IKON provided copying, printing, and fax equipment
- Fleet Management
- All mail services
- All fax services
- All messenger services
- On-site binding services
- Inventory Supplies

\$19,306

Excess impressions beyond 225,000 billed at .015. Upon Attorney General request, excess impressions can be reconciled quarterly or annually. If quarterly or annually option is agreed upon, IKON is confident under usage will not occur.

IKON Pricing

36 Month Agreement Equipment Pricing

IKON's equipment pricing includes the following:

IKON Services Center

- (2) Canon iR8500 – 85 pages per minute, tab copying, and on-line three hole punching, (1) network printing.
- (1) Canon iR3300 – 33 pages per minute, stapling, faxing, and network printing.
- (1) Canon Fax 710 High Speed Laser Facsimile Convenience Equipment.
- (4) Canon iR5000 Console Machines – 50 pages per minute, 50 sheet stapling, 5 paper sources, and 4,100 sheets of paper on line.
- (4) Canon iR3300's – 33 pages per minute, 5 paper sources, and 2,000 sheets of paper on-line. (1) network printing and faxing option for Executive Office.
- (1) Canon Fax 2060 for Executive Office

\$3,355

As a general statement, a reduction in speed and / or capability will reduce equipment cost. Conversely, an increase in speed and capability will increase equipment cost.

Special Projects Pricing

Pricing varies greatly depending on type of project, run length of project, and required completion times.

The following pricing is subject to change do to market conditions.

- Consumer Files Litigation - \$.157 per copy
- Black and White Displays - \$25.00
- Standard Document Binding - \$2.00 per bind
- Audio - \$10.00
- Video - \$22.00

All other pricing is based on IKON quotation.

IV. MBE Appendices

IKON pursues minority and small business support both in the local marketplace and nationally as a corporation. In September of 2001, IKON Indiana had several representatives in attendance at "The Day of Learning" conference, which was sponsored by the City of Indianapolis and the State of Indiana. The conference exposed us to many ideas for the future and was a great learning experience. Valuable information from the City and the State presenters are being incorporated into our future efforts.

Local Minority and Small Business Efforts

IKON Indiana takes minority and small business vendor participation very seriously. In December of 1997, IKON Indiana made a concerted effort, with the assistance of Ms. Elena Looper, Deputy Commissioner for Minority Business Development for the State of Indiana, to actively involve minority-owned businesses when any IKON Indiana controllable expenditures were evaluated. Since our initiative, IKON has increased our annual minority vendor expenditures to over \$600,000 the past three years. We will ensure that this effort remains a priority as we continue to expand our business relationship with the State.

IKON's continuing action plan for minority and small business involvement includes the following:

- Carefully monitoring expiration dates of contracts providing minority and small businesses with opportunities to provide quotations and proposals when possible.
- When new products or services are required, IKON's Office Services Supervisor, Sally Stultz, will use state-provided business directories to engage minority and/or small businesses, when applicable, in the bidding process.
- Discussing minority and small business opportunities quarterly at senior staff meetings.

If the Attorney General has any questions pertaining to IKON Indiana's long-term goals and strategies as it relates to minority vendor participation, please contact Marilyn Warren, Vice President of Finance, IKON Indiana at 317-329-6042.

Office of the Attorney General
Minority Business Enterprise Information
MBE Participation Plan

Proposal For: Office of the Indiana Attorney General

Due Date: March 31, 2003

Respondent Name: IKON Office Solutions

Contact Person: Chris Johnson

Address: 7330 Woodland Drive
Indianapolis, IN 46278

Telephone Numbers: **Main:** 317-329-6088
Fax: 317-329-4401

The following racial minority-owned firms will be participating in the proposal according to the following schedule.

MBE	Phone	Contact	Trade	Amount
<u>Bahr Printing, Inc.</u>	<u>317-899-1020</u>	<u>Rham Bhargava</u>	<u>Printing</u>	<u>\$191,171</u>
<u>Communications Products, Inc.</u>	<u>317-596-7863</u>	<u>Patti Stowers</u>	<u>Phone Systems</u>	<u>\$354,754</u>
<u>Nishida Services, Inc.</u>	<u>317-849-0466</u>	<u>Hank Nashida</u>	<u>Janitorial Services</u>	<u>\$68,389</u>
<u>Rits Quality Office Supplies</u>	<u>765-459-4788</u>	<u>Doug Vaughn</u>	<u>Office Supplies</u>	<u>\$5,690</u>
<u>3'D Trophy & Engraving</u>	<u>317-925-5777</u>	<u>Pearl Means</u>	<u>Trophies and Engraving</u>	<u>\$2,819</u>
<u>Another Level Cleaning Service</u>	<u>317-899-1450</u>	<u>Albert Offutt, Jr.</u> <u>Darrell Wells</u>	<u>Janitorial Services</u>	<u>\$26,991</u>

*** IKON currently utilizes Bahr Printing for all Attorney General letterhead and envelope printing.**

EXHIBIT C**EQUIPMENT DESCRIPTION:**

Quantity	Description: Make, Model & Serial Number	Quantity	Description: Make, Model & Serial Number
	IKON Resource Center		
2	Canon iR 8500's		
1	Canon iR 3300		
1	Canon Laser Fax 710		
1	GBC Velobind System 2		
1	GBC Docubind System P300		
	Convenience Equipment		
4	Canon iR 5000's		
3	Canon iR 3300's		
1	Canon Laser Fax 2050P		
1	Canon iR 1330 (MFCU)		
1	Canon iR 2200 (MFCU)		
3	Canon iR 3300's (MFCU)		